

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-327		464	4	1	2
<u>Committee Pages:</u> <ul style="list-style-type: none"> • <i>Banking</i> 127 • <i>Banking</i> 70-71 • <i>Banking</i> 138 				<u>House Pages:</u> <ul style="list-style-type: none"> • 3018(<i>Consent</i>) 	<u>Senate Pages:</u> <ul style="list-style-type: none"> • 1697-1698

H-114

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 7
3011-3376**

Tuesday, May 18, 1971

8

Connecticut Board of Examiners of Midwives and the Transfer of its Powers, File No. 986; Calendar No. 0942, substitute for H.B. No. 5202, An Act Concerning the Establishment of Maximum Noise Levels to Control Noise Generated by Vehicles, File No. 982; Calendar No. 0944, substitute for H.B. No. 5874. An Act Concerning Medical Treatment for Injured Workers, File No. 998; Calendar No. 0947, substitute for H.B. No. 6613, An Act Concerning Savings Bank Time Deposits, File No. 1002; Calendar No. 0949, substitute for H.B. No. 7428, An Act Concerning Cost-of-Living Adjustments to Beneficiaries Entitled to Workmen's Compensation Death Benefits, File No. 1015; Calendar No. 0969, substitute for S.B. No. 0464, An Act Concerning the Merger or Consolidation of State Banks and Trust Companies, File No. 709; Calendar No. 0970, Substitute for S.B. No. 1311, An Act Concerning the Reversion of Estate to Spouse, File No. 807; Calendar No. 0972, substitute for S.B. No. 1681, An Act Concerning Prosecution of Traffic Violations on Grounds of the University of Connecticut, File No. 809.

Mr. Speaker, if there's no objection to any of these bills, I move now for the acceptance of the committees' report and passage.

THE DEPUTY SPEAKER:

You heard the motion. Is there objection under Rule 48 on the part of any individual member to any of the items contained in the motion being considered on consent at this time? Hearing no objection, all those in favor will indicate by saying aye. Opposed? The bills are PASSED.

MR. MAHANEY (92nd):

Mr. Speaker, at this time, due to an objection, on page 3, I'd like to move that Calendar No. 0971, the third matter on the Calendar, substitute for S.B. No. 1421, File No. 806, be removed from the Consent Calendar.

THE DEPUTY SPEAKER:

S-79

**CONNECTICUT
GENERAL ASSEMBLY**

SENATE

**PROCEEDINGS
1971**

**VOL. 14
PART 4
1457-1920**

May 11, 1971 11.

Medical Examiner. It would incorporate a standard for authorizing autorpsys by medical examiner. And would provide that records in cases investigated by a medical examiner be made available to the public only through such office.

THE CHAIR:

The question is on passage of the bill, as amended. Will you remark further? If not all those in favor of passage signify by saying aye. AYE. Opposed nay. The ayes have it. The bill as amended is passed.

THE CLERK:

Cal. 533, File 709, Favorable report joint standing committee on Banks and regulated activities Substitute S.B. 464 An Act Concerning the Merger or Consolidation of State Banks and Trust Companies.

THE CHAIR:

Senator Buckley.

SENATOR BUCKLEY.

Mr. President, I move acceptance of the joint committee's favorable report and passage of the bill.

THE CHAIR:

Will you remark?

SENATOR BUCKLEY:

The bill simplifies in some respect and clarifies in others procedures by which state banks and trust companies may merge. Section 1 requires a majority of the board to approve the merger

May 11, 1971

12.

It, further provides for a 2/3 vote of the all classes of outstanding stock of each of the merging institutions. It provides for merger of the bank commissioner and several places clarifies the notice which must be given concerning the merger.

THE CHAIR:

The question is on passage of the bill. Will you remark further? If not all those in favor of passage signify by saying aye. Opposed nay? The ayes have it. The bill is passed.

THE CLERK:

Cal. 544, File 549 Favorable report of the joint standing committee on Judiciary on H.B. 5389 An Act Concerning the Suppression of Criminally Operated Businesses. The Clerk has an Amend.

THE CHAIR:

Senator Jackson.

SENATOR JACKSON:

Would the Clerk please read the amendment?

THE CLERK:

Senate Amendment A. as offered by Senator Jackson. In line 55 delete "deviate sexual intercourse."

SENATOR JACKSON:

Mr. President I move adoption of the Amendment.

THE CHAIR:

Will you remark?

SENATOR JACKSON:

The amendment is self explanatory.

**JOINT
STANDING
COMMITTEE
HEARINGS**

BANKS

1-445

**1971
Index**

JOINT BANKS AND REGULATED ACTIVITIES

WEDNESDAY

MARCH 3, 1971

that was reached by the Legislative Council. The benefits - the hypothetical benefits that make me see in interest are so far offset by the disadvantages that it should not be adopted. Thank you.

Rep. Blake: Anyone else wish to speak against this bill?

Mr. Elliott: My name is Steven K. Elliott, representing the Savings and Loan League of Connecticut. I think the subject has been pretty adequately covered by the previous speakers. And, for the same reasons, we have the same attitude on this, that it is a service to the communities, that the communities might be hard-pressed to collect the taxes if they didn't get them monthly. And, I would point out one additional expense to the savings institutions and that is, if there were an interest payment to be paid out on these escrow accounts, then necessarily a tax form, known as 1099, has to follow. And, that's another additional expense. I would like to file a memorandum.*

Rep. Blake: Thank you. Any others wish to speak in opposition to this bill? Hearing none, the hearing on bill #5779 is closed. Next, we'll take up Senate Bill #464. Anyone wishing to speak in favor of 464?

Mr. Lane-Reticker: Edward Lane-Reticker, as Legislative Committee to Connecticut Banker's Association. We favor this bill. It's a Banking Department bill. It's a technical "housekeeping bill", conforming procedures on consolidation of state banks and trust companies with the consolidation of audit corporations, under the general statutes. We have a memorandum we would like to leave with the Committee.**

Rep. Blake: Thank you. Any others wish to speak in favor of this bill? Hearing none - is there any opposition to this bill? Hearing no opposition, the hearing on this bill is closed.

* See Schedule 3
** See Schedule 4

JOINT BANKS AND REGULATED ACTIVITIES

WEDNESDAY

MARCH 3, 1971

The next bill to be heard is 467 - four, six, seven. Anyone wishing to speak in favor of this bill, please come forward.

Mr. Dolan:

Here is a very brief statement. My name is Robert Dolan, representing here today, the Connecticut Credit Union League, its 435 affiliated credit unions in the state with a total of some 350,000 members. I speak in favor of Senate Bill 467. Here is a very brief statement. My name is Robert Dolan, representing here today the Connecticut Credit Union League, its 435 affiliated credit unions in the state with a total of some 350,000 members. I speak in favor of S.B. 467, "The Powers of Credit Unions to Make Unsecured Loans". We do support the notion that loans fully secured by shares may be made for a period not to exceed one year without regard to the normal repayment provisions (substantially equal weekly, semi-monthly, or monthly installments) and without prior approval of the credit committee. The Connecticut League wholeheartedly supports the proposal that share accounts in credit unions located and doing business in this state be deemed security for such loans.

The Connecticut League feels that this bill might better serve the interests of certain somewhat neglected economic groups in our state if the normal repayment provisions are waived, as has been done in the relevant federal legislation. This is the intent of House Bill #5192 "Loan Repayment Schedules of Credit Unions" introduced by Representative Owen Clark, a measure which has the full support of the Connecticut League. (Copies of this bill for the Committee are submitted with this statement.)* By approaching the federal credit union position, greater flexibility could be introduced into loan repayment schedules for state chartered credit unions. Bill #5192 would permit state chartered credit unions to make single payment loans and irregular payment loans to members employed in a seasonal industry or engaged in a seasonal

* See Schedule 5 - B, #5192

BANKS AND REGULATED ACTIVITIES COMMITTEE

HEARING - MARCH 3, 1971

MEMORANDUM FROM STATE BANKING DEPARTMENT

Bill No.: S.B. 464

Title: An Act Concerning the Merger or Consolidation of State Banks and Trust Companies

Purpose: To clarify the procedures for mergers or consolidations of state banks and trust companies and industrial banks and to conform said procedure to the requirements of federal law.

Comments By Banking Department:

This is a Banking Department proposal for which a substitute bill has been filed. The substitute clarifies the voting method of approval of a merger or consolidation by the directors; the manner in which the proposal shall be voted by the stockholders; requirement of approval by the Banking Commission; manner in which the Banking Commission is to file its approval of the merger or consolidation agreement; and method of determination to protect the rights of dissenting stockholders. The changes recommended are for clarification purposes and to conform with federal law.

Attitude of Banking Department:

In favor of substitute bill.

COMMITTEE ON BANKS AND REGULATED ACTIVITIES

SENATE BILL No. 464 - AN ACT CONCERNING THE MERGER OR CONSOLIDATION
OF STATE BANKS AND TRUST COMPANIES

MEMORANDUM SUBMITTED ON BEHALF OF THE CONNECTICUT BANKERS ASSOCIATION

The Bill will effect various technical changes in Section 36-92 of the General Statutes, which covers the procedure to be followed on mergers or consolidation between state banks. The changes proposed are principally ones which conform Connecticut law to Federal requirements or which bring the procedure on bank mergers more closely in line with the procedure applicable to other corporations under the Stock Corporation Act.

Under current Federal law, state bank mergers require the approval of the Federal Reserve Board or the Federal Deposit Insurance Corporation. After the required Federal approval is obtained, a 30-day waiting period must expire before the merger can be consummated.

Section 2 of the Bill would recognize the impact of these Federal requirements on Connecticut procedure. Section 2 would also simplify and clarify in various respects the language of present 36-92(3).

The principal change effected by Section 1 of the Bill will be to amend Section 36-92(2) to confirm that it is sufficient if a majority of the directors of each merging bank sign the merger agreement. This interpretation has been generally assumed by those participating in state bank mergers for many years.

The principal effect of Section 3 of the Bill is to make the more modern Stock Corporation Act procedures applicable where a dissenting shareholder of a state bank elects to require payment of his shares under Section 36-92(5). Section 33-374 specifies in considerable detail the procedure to be followed, and the consequences, of a dissent in a merger under the Stock Corporation Act. Making these Stock Corporation Act rules applicable to bank mergers will serve to provide detailed guidance on the processing and consequences of a dissent in an area where the statute presently provides only limited guidance.